- Funding Status – FY 2018 and FY 2017

- Updates on USAC's E-Rate Productivity Center and Legacy System
  - Form 486 Approvals and the FST
  - FRN Continuation and Copy Warning
  - Answer to Last Week's Category 2 Budget Tool Quiz

- E-Rate Updates and Reminders
  - Upcoming 2018 E-Rate Dates
  - USAC Procurement Initiatives
  - FCC Internet Access Service Report

- USAC News Brief Dated February 9 – Reminders on Evaluating Bids

Funding Status – FY 2018 and FY 2017

FY 2018:

The FY 2018 Form 471 Application Window opened Thursday morning, January 11, 2018. The Window will close Thursday, March 22, 2018 at 11:59 p.m. EDT. PIA review is well underway for filed applications.

FY 2017:

Wave 39 for FY 2017 was released Thursday, February 8th, for a total of $8.85 million. Wave 40 for special hurricane-relief applicants was released Friday, February 9th, for $937 thousand. Funding included $47 thousand for one North Carolina applicant. Cumulative national funding through Wave 40 is $2.17 billion, including $67.9 million for North Carolina. Wave 41 is scheduled for Friday, February 16th.

Updates on USAC's E-Rate Productivity Center and Legacy System

Form 486 Approvals and the FST:

USAC appears to have made significant progress in reducing the backlog of pending Form 486 approvals which had been held up pending Service Start Date and CIPA certification corrections. That's good news for applicants eager to start E-rate discount invoicing for FY 2017. Usually within 1-2 days of Form 486 approvals (and notification in applicants' EPC News feeds), updates are made to the legacy invoicing system.

Unfortunately, Form 486 updates to the FRN Status Tool ("FST") are less reliable. The date the associated Form 486 has been approved. However, we are finding numerous examples of approved Form 486s with no entries in the "486 Service Start Date" field despite approvals occurring one to two months ago. Applicants and service providers relying on the FST to track multiple Form 486 approvals will be misled. E-Rate Central's Funding History Search tool,

which also relies on FST data, will be similarly misleading. This is especially troubling given that many service providers and E-rate data services rely on the FST data to verify if certain activities have occurred.

Applicants seeking to confirm their own Form 486 approvals can do so within EPC, locating the Form 486 via the Forms pulldown tab, and checking the status of each Form 486. More detailed Form 486 Notification data can be found by searching the News feed using the Form 486 number. This approach is fine for individual applicants, but is not useful for vendors trying to determine if they can begin invoicing USAC via the SPI process.

FRN Continuation and Copy Warning:

Applicants creating ongoing FRNs for multi-year contracts need to be careful when using the Copy FRN function for contracts initiated in the previous year. Here's the sequence that can cause a problem:

- The first field encountered when starting a new FRN requires a Funding Request Nickname (which we suggest applicants make clearly descriptive).

- The next step asks: "Is this Funding Request a continuation of an FRN from a previous funding year?" If "Yes," you enter that FRN.

- The third step gives you the option to copy an existing FRN, most frequently (but not necessarily) from last year's application.

If you use the "Copy FRN" feature with the previous year's FRN, and that year was the first year of a multi-year contract, then last year's FRN answer would have been "No" to the FRN continuation question. Using "Copy FRN" will revert this year's "Yes" in the continuation field to last year's "No" — a change that's easy to overlook. The trick is to use the "Copy FRN" first, then edit/update the continuation question after the FRN has been copied.

Answer to Last Week's Category 2 Budget Tool Quiz:

For E-rate geeks: Our last two newsletters discussed the differences between USAC's two Category 2 budget tools, the one built into EPC and the new non-EPC Category Two Budget Tool. The biggest difference is that the EPC tool does not reflect any Category 2 commitments for FY 2015. But both newsletters included brief reader quizzes concerning the small difference

between the two tools in calculating the inflation-adjusted per-student Category 2 budget limit for FY 2017. EPC uses the unrounded $153.4695 figure, whereas the non-EPC Category Two Budget Tool uses the correct, FCC-approved, rounded $153.47 figure. Although the difference appears small, last week's question focused on the issue of what would happen if the difference was carried forward into future years. The specific question was:

> If the inflation factor for 2018 is again 1.3%, could the EPC C2 per-student number be off by one penny?

The first correct answer — "Yes" — came from Patrick Doyle at Erie 1 BOCES. He wrote:

> If the EPC system decides to round the 1.3 % multiplication for FY 2018 you will have a one penny difference. 153.4695 x 1.013 = 155.4646035 which would round down to $155.46.

As Mr. Doyle notes, the correct calculation would be 153.47 x 1.013 = 155.46511 which would round up to $155.47 — one penny more.

Please note that the 1.3% inflation adjustment used in this question was for illustrative purposes only. The FCC is not expected to announce the real inflation factor for FY 2018 until later this month or early in March. For conservative planning purposes, we suggest that schools use $155 per student, a 1% increase (for libraries, we'd suggest $2.38 or $5.17 per sq.ft.).

E-Rate Updates and Reminders

Upcoming 2018 E-Rate Dates:

February 20   FY 2017 Form 486 deadline for funding committed in Wave 21. Other upcoming Form 486 deadlines include:

Wave 22	02/26/2018
Wave 23	03/05/2018
Wave 24	03/12/2018
Wave 25	03/19/2018

Applicants missing these (or earlier) deadlines should watch carefully for "Form 486 Urgent Reminder Letters" in EPC. The Reminders will afford applicants with 15-day extensions to submit their Form 486s without penalty.

February 22   Technically, the last day to file a Form 470 for use with a Form 471 application for FY 2018. Whenever possible, Form 470s should be filed well before this date. If a Form 470 is filed on this date, the 28-day posting requirement is not over until March 22nd. On that day, an applicant using that last day Form 470 would have to select vendors, sign contracts, and complete the Form 471, all on the last day of the Application Window — never a good filing strategy!

February 26   Extended invoice deadline for FY 2016 recurring services for extensions requested and granted of the original October 30, 2017, deadline.

March 22   FY 2018 Form 471 Application Window closes at 11:59 p.m. EDT.

USAC Procurement Initiatives:

Just when you thought it was safe to go back in the water…

Last August, USAC issued an RFP for Call Center Support as a replacement contract for the Client Service Bureau ("CSB"). As announced at last month's Schools and Libraries Committee meeting, CSB services will be transitioned to Sutherland Government Solutions over the next three months as a replacement for General Dynamics Information Technology.

Bids on an IT Development and Technical Services contract to provide support for the USAC Appian-based EPC system were due late last month. A winner of that contract has not yet been announced. The current contract holder, Incentive Technology Group, LLC, has been funded through June 30th.

The current Solix contract providing PIA and other program administrative support, currently handled out of Whippany NJ, is expiring this year and will be rebid. Although that RFP has not yet been released, USAC has scheduled an E-rate Industry Day for professional services bidders. Solix's existing contract has been funded through December 31st.

The next year could be interesting.

FCC Internet Access Service Report:

The FCC's Wireline Competition Bureau released a report on Internet Access Services: Status as of December 31, 2016. Although the data is now one-year old, the report shows a clear and strong trend toward higher-speed Internet access and more competition in both the commercial and residential markets. Schools and districts in particular may find the state-by-state data useful in evaluating, not only the Internet services they are receiving, but the residential Internet services available to their students.

USAC News Brief Dated February 9 – Reminders on Evaluating Bids

USAC's Schools and Libraries News Brief of February 9, 2018, continues a series of suggestions and reminders for completing the competitive bidding process and selecting vendors. It starts by suggesting applicants ask themselves the following four review questions to make sure that their Form 470 was correctly filed (and does not need to be refiled):

1. Did I post for the correct service type(s)? This is particularly important for FY 2018 because of the confusing changes that USAC made to the Category 1 pulldown menu for the procurement of fiber-based services.

2. Did I make a "cardinal" change to my project or services? If so, a new Form 470 is required.

3. Have I issued or do I intend to issue an RFP document (or other similar bidder information) even though I did not attach one to my originally certified Form 470? If so, a new Form 470 is required.

4. Do I intend to disqualify bids that do not meet certain requirements? Such disqualification criteria must have been stated in the original Form 470 and/or RFP.

Additional competitive bidding considerations reviewed in USAC's News Brief deal with:

1. Documenting the receipt of only one bid — or no bids.

2. Evaluating the bids you received. Note: A sample bid evaluation matrix is available on the E-Rate Central site in both Excel and PDF formats.

3. Conducting a mini-bid — often required when using multiple-award state master contracts.

4. Requesting tariffed/month-to-month services and contracted services.

5. Retaining documentation.

Last week's News Brief also reminds State E-rate Coordinators to submit their states' NSLP "valid files" showing their schools' student enrollment and eligibility data for PIA review purposes. USAC has asked that these files be provided by February 26th. New York is on track to meet USAC's target date with NSLP data reported as of October 2017.